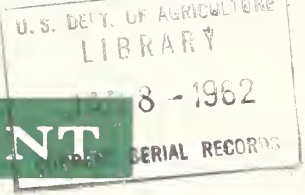


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# RURAL AREAS DEVELOPMENT

## newsletter

December 1961

No. 39

*We must show the  
world what a  
free economy can do  
...to put unused  
capacity to work,  
spur new  
productivity and  
foster higher  
economic growth.  
President Kennedy.*

### CITES NEED FOR LOCAL INITIATIVE

The National Public Advisory Committee on Rural Areas Development called for continued dynamic leadership and direction from county, State and national officials to inform the people to whom the need for rural areas development is paramount now, Chairman Clarence J. McCormick, Vincennes, Ind., reported. The committee held a two-day (Dec. 14-15) meeting at the U. S. Department of Agriculture, Washington, D. C.



Mr. McCormick said: "Members of the committee felt that the time for action on rural areas development projects is now. More people who need help in the Nation's rural areas must be reached and aided. However, the success of the rural areas develop-

ment program rests mainly on local initiative and leadership, with strong support from governmental officials."

In its report to the Secretary of Agriculture, the 29-member advisory committee stressed the need for further action among local rural areas development groups in fostering rural economic improvement. As means for expediting the activity of these local rural groups, the committee recommended five steps:

1. That USDA create a clearing house for disseminating information about facilities of particular interest to industries that may wish to locate in rural areas.
2. That strong direction be given to local area development groups to encourage representation of all segments of the local areas.
3. That local initiative insure stabilization of community facilities in order that each area be a favorable place in which to live and prosper.



U. S. DEPARTMENT OF AGRICULTURE  
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Growth Through Agricultural Progress

4. That farm programs for the "adequate family farm" be broadened to encourage more effective bargaining power at the grass roots level.

5. That full employment, rapid economic growth, and education be provided for.

The committee hailed the progress already done in rural areas development, and recommended that consideration be given to administrative as well as legislative proposals to carry out a continued successful rural areas development effort.

#### TELL WATAUGA STORY

Watauga County, North Carolina, a small county in mountainous northwestern part of the State, has had a rural areas development program for over 6 years in which time the county progressed from a rather poor area to one in which there is now opportunity and prosperity.

Banker Alfred T. Adams, head of the county's rural areas development committee, and Mayor Wade E. Brown of Boone, the county seat, were present at the Advisory Committee meeting. The two men gave a presentation of what their county has done and is doing to revitalize itself.

Back around 1955, Watauga County had an average per capita income of \$1,063, compared to a State average in North Carolina of \$2,121, or a national average of \$1,985. Watauga ranked 97th among North Carolina's 100 counties.

There was serious unemployment and underemployment in the county. The county was short of industry, and the farms were small. With such limited economic opportunities, Watauga County was losing the resources it could least afford to lose -- its youth.



But, today things have changed in Watauga. A new modern plant has been constructed which provides employment for 250 persons and adds \$500,000 yearly to the county's payroll. There's also a new 18-hole golf course to attract and hold tourists. Agricultural income has increased by more than \$1½ million a year.

What brought about these improved economic conditions in Watauga? "The people did the job," say Adams and Brown. "We organized a rural development committee. We inventoried our resources. We set goals, and then we searched for ways to reach them. And, we accepted what help the government had. In our case, it was the county agents, who provided us with know-how."

Problems of this southern county were broken down into bite-size chunks and separate groups of citizens concentrated on each problem. Committees included: business and industry; health, education and welfare; agriculture; homemaking; and religion. "Only people interested in developing the county and who were willing to work hard, and that is one of the keys to a successful program -- the will to work -- were put on these committees," Brown and Adams pointed out.



The Watauga County people organized their own corporation, Watauga Industries. They sold stock to local people at \$100 a share to finance land and to construct a building to attract new industry. The local people invested almost \$200,000 in the new factory and land.

#### RAD MOVES FORWARD IN MINNESOTA

A lumber yard in Warroad, Minnesota is being rebuilt (after it had been completely burned out) thanks in part to a Section 5 loan made by the Rural Electrification Administration to the Roseau Electric Co-op, Roseau, Minn., which in turn loaned the money to the lumber yard to finance electrical equipment.

This company is the main industry for Warroad. When completed it will employ 225 persons in this 1,300-person northern Minnesota town. Approximately 100 persons are working full time for the contractor building the structure.



In addition to the full time employees, the lumber company has 172 other employees that cut timber in the winter months and farm in the summer. Many of the workers are former-farmers, or are still part-time farmers.

Forest Service is also working hard in Minnesota. An increase of \$843,000 has enabled Forest Service to step up its program of protection, management, and development of the timberland in the northern State. This increased fund activity will provide from 12,500 to 15,000 man-days of employment in nursery production and tree planting.

The Forest Service also provided \$150,000 Federal funds to the State of Minnesota, which will be matched by State funds, to plant trees on non-Federal lands. This \$300,000 project will provide employment for many unskilled workers in 1962 in rural areas of North Central Minnesota.

#### PROVIDES FLEXIBLE FINANCING

Industrial development people generally are unaware of the potentialities of ARA (Area Redevelopment Administration) financing for commercial or industrial projects. The details of the recently-approved project in connection with the establishment of the National Wood Seating and Dimension Company in Mingo County, West Virginia, illustrate this flexibility.

It took \$1,145,000 to get this project started. Of the total, \$880,000 was needed for plant, machinery and equipment and \$265,000 for working capital. The ARA portion amounted to \$572,000, or 65 percent of the cost of plant, machinery and equipment.

The State of West Virginia put up \$88,000, or 10 percent of the project cost. A total of \$200,000 was raised locally from subscriptions by private citizens, far more than the 5 percent of private equity required by the act.

The total available included an additional Small Business Administration loan of \$285,000, of which \$75,000 amounted to participations of \$25,000 each by the three local banks.

The SBA local bank loan is secured by a first mortgage on all assets; it is repayable in 10 years; the SBA rate is 4 percent, with the banks' share paying interest at the rate of 6 percent. The ARA loan is for 20 years; it bears interest at the rate of 4 percent; it is secured by a second mortgage on the assets.

#### PUBLICATIONS NOW AVAILABLE

The Social Security Administration once again has produced a leaflet to help farmers report their earnings for social security purposes. This leaflet entitled "Self-Employed Farmers -- Are you Getting the Social Security Credits Due You" explains how farmers should report their earnings for social security credit and gives a step-by-step guide of how to fill out tax forms with special emphasis on the alternate method of reporting for farmers whose net earning have been low in 1961. This leaflet is available in single or quantity copies from local Social Security Offices.



"New Life for Watauga County." This leaflet tells the story of how this southern county was revitalized through a strong rural areas development program. Copies can be had through the local county extension agents.

"Soil Conservation" magazine, January 1962 issue, is devoted to rural areas development projects around the country. It is available from the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Cost is 15 cents a copy.

#### TASK FORCE COORDINATES FEDERAL AGENCIES

A Federal task force visited Paterson, New Jersey, December 4, to coordinate the activities of all Federal agencies in aiding local redevelopment efforts.

Represented at the all-day meetings were the Departments of Agriculture, Interior, Labor, Health, Education and Welfare; Area Redevelopment Administration; Housing and Home Finance Agency; and Small Business Administration.

This meeting aligned all of the resources of federal agencies on the redevelopment problems of the community, and was a direct result of the action by ARA designating the Paterson Labor Market (Passaic County) as a redevelopment area.

#### APPROVE 21 MORE OEDP'S

During December, the U. S. Department of Commerce conditionally approved 21 overall economic development plans.

Plans includes: Fairbanks (19th Election District) Alaska; Dougherty, Elbert, Habersham, Lee, Macon, Randolph, Schley, Stewart, Terrell, White, and Wilkes Counties, Georgia; Garrett, Maryland; Iron, Menominee Counties, Michigan; Douglas, Missouri; Perry, Blair and Bedford, Pennsylvania; Lancaster, South Carolina; Hardin, Tennessee; and Grant, West Virginia.